



Silicon Valley Bank

Federal Housing Finance Board
Attention: Public Comments
1625 Eye Street
Washington, D.C. 20006

Re: 12 CFR Part 951
Affordable Housing Program Amendments

Dear Finance Board:

Silicon Valley Bank (SVB) appreciates the opportunity to comment on the Proposed Rule published by the Federal Housing Finance Board in the Federal Register on December 28, 2005, proposing amendments to the Affordable Housing Program (AHP) regulations at 12 CFR Part 951. We strongly support your efforts to improve the AHP program and we offer the following comments for consideration.

Section 951.5 Competitive Application Program

- We support using the AHP subsidy for loan pools. The Finance Board has specifically requested comment on whether it should adopt a fixed regulatory time limit instead of the flexible approach specified in the proposed regulation. We strongly support the flexible approach taken in the proposed regulation giving each FHLBank the ability to adopt limits that reflect needs and types of loans in their areas.
- We request a revision to the scoring criteria on “Empowerment of the Poor” to permit the FHLBanks to give credit for activities or services that help people stabilize or improve their personal lives, along with economic improvements. Credit should be given for a variety of supportive services that can help individuals with other aspects of their life that then allow them to move toward improving their chances of gaining greater financial self-sufficiency.

Section 951.7 Monitoring

- We do not support retaining the project owner certification requirement from the existing regulation as part of long term monitoring. It is a paperwork and labor intensive process that adds no benefit to long term compliance of a project. Efforts should be focused on the proposed risk-based long term monitoring requirements, which should address compliance over the 15 year period and streamline management of the program. Perhaps the Finance Board could define some parameters that the FHLBanks could tailor according to critical operating issues in their districts. We would suggest monitoring all grants over \$500,000 in the same manner but under that amount could be monitored by other criteria such

as debt service coverage at initial monitoring, populations served, other funders etc.

- We favor a less restrictive approach to monitoring in the competitive program but the proposed regulation is too vague. To avoid possible misinterpretation please address, in the final rule:
 - type, frequency of reporting from another monitoring entity that would be acceptable under long term monitoring
 - risk based sampling should be permitted for monitoring.

Thank you for the opportunity to comment on the proposed changes to the regulation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christine B. Carr".

Christine B. Carr
Manager Community Development Finance